

ORDINANCE NO. 1549

**AN ORDINANCE OF THE CITY OF DES MOINES, WASHINGTON,** relating to the City's imposition of gambling taxes, and amending DMMC 5.40.010 to provide a graduated tax structure for public cardrooms as a commercial stimulant.

**WHEREAS,** the state legislature authorizes cities to impose gambling taxes upon public cardrooms up to twenty percent (20%) of gross revenues conducted in accordance with chapter 9.46 RCW, and

**WHEREAS,** Ordinance No. 1305 was adopted by the City Council on September 27, 2002, amending Ordinance No. 361 and establishing a new tax rate of ten percent (10%) of gross receipts, less the amount awarded as cash or merchandise, for public cardrooms operated as a commercial stimulant, and

**WHEREAS,** encouraging business is of economic benefit to the City and provides increased tax revenues to support municipal services, and

**WHEREAS,** the City Council finds that it is in the best interest of the City to amend DMMC 5.40.010 to reduce the tax rates applicable to public cardrooms, and

**WHEREAS,** the Council Finance and Economic Development Committee recommends that a graduated tax rate be established as an incentive for public cardroom operations licensed before December 31, 2015 within the City of Des Moines; now therefore,

**THE CITY COUNCIL OF THE CITY OF DES MOINES ORDAINS AS FOLLOWS:**

**Sec. 1.** DMMC 5.40.010 and section 1 of Ordinance No. 361 as amended by section 4 of Ordinance No. 1305 are amended to read as follows:

**Taxes imposed.** In accordance with chapter 9.46 RCW as presently constituted or as may be subsequently amended, there is levied upon all persons who have been duly licensed by the Washington State Gambling Commission to conduct or operate:

(1) Public cardrooms operated as a commercial stimulant, a tax of ten percent (10%) of the gross receipts shall be imposed except those cardrooms that receive an initial business license prior to December 31, 2016, a tax of one percent (1%) of the gross receipts in the first twelve months of an initial business license issuance shall be imposed; a tax of six percent (6%) of the gross receipts in the second twelve months from the date of initial business license issuance shall be imposed; and a tax of ten percent (10%) of the gross receipts shall be imposed thereafter. Transfers of ownership or change of business name or location will not affect the date of initial business license issuance used to calculate the tax percentage.

(2) Punchboards and pulltabs, a tax of five percent (5%) of the gross receipts.

**Sec. 2. Severability - Construction.**

(1) If a section, subsection, paragraph, sentence, clause, or phrase of this Ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance.

(2) If the provisions of this Ordinance are found to be inconsistent with other provisions of the Des Moines Municipal Code, this Ordinance is deemed to control.

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**Sec. 3. Effective date.** This Ordinance shall take effect and be in full force five (5) days after its passage, approval, and publication in accordance with law.

**PASSED BY** the City Council of the City of Des Moines this 13th day of September, 2012 and signed in authentication thereof this 13th day of September, 2012.

  
MAYOR

APPROVED AS TO FORM:

  
Assistant City Attorney

ATTEST:  
  
City Clerk

Published: September 18, 2012

LEGAL NOTICE

SUMMARY OF ADOPTED ORDINANCE

CITY OF DES MOINES

ORDINANCE NO. 1549, Adopted September 13, 2012.

DESCRIPTION OF MAIN POINTS OF THE ORDINANCE:

This ordinance relates to the City's imposition of gambling taxes, and amending DMMC 5.40.010 to provide a graduated tax structure for public cardrooms as a commercial stimulant.

The full text of the ordinance will be mailed without cost upon request.

Sandy Paul, CMC  
City Clerk

Published: September 18, 2012